triggered by its ligand, the ligated complex induces macrophage activation. TREM-1sv is a variant of TREM-1 that is not anchored in the macrophage cell membrane but free to capture TREM-1 ligand. When TREM-1 ligand is captured by TREM-1sv the TREM-1 receptor complex is not triggered and the macrophages are not activated thus permitting the modulation (up or down activation) of macrophages, which in turn modulates the immune response.

The invention currently under examination is to a method of modulating an immune response comprising administering to an animal, in need thereof, a composition of soluble polypeptides according to SEQ ID NO: 2 or a portion of it, in an amount effective to modulate the levels of TREM-1 and /or ligand binding activity whereby the immune response is modulated in the animal.

Claims 1 and 2 are supported on pages 4-7, pages 11-14, page 19, figures 1 and 4 of the specification as originally filed. Claim 7 is supported at paragraph [0033] in the specification. Claim 8 is supported by Example 11. Claim 9 is supported at paragraph [0031].

STATUS OF AMENDMENTS

There are outstanding claim amendments in this RCE in response to the Decision on Request for Rehearing dated of November 5, 2008. We believe that no new subject matter has been added as a result of these amendments.

AMENDMENT OF CLAIMS

Claims 1, 3, 5, 11, 15, 16 and 40-42 are active in this application, for easiness they have been renumbered 1-9. They are amended as follow with tracked changes. A clean version is presented in Appendix I.

1. (Amended) A method of modulating an immune response comprising administering to an animal, in need thereof, a composition of soluble polypeptides according to with at least a portion of amino acids 1 to 136 of SEQ ID NO: 2 or a portion polypeptide mimetic thereof, in an amount effective to modulate the levels of TREM-1 and /or ligand binding activity whereby the immune response is modulated in the animal.

2. (Canceled)

2.3. (Amended) The method of claim 1, wherein said polypeptide <u>can have additions</u>, <u>deletions</u>, <u>fusions and/or substitutions of amino acids in any combination has at least a portion of amino acids 36 to 114 of SEQ ID NO: 2, the whole portion of amino acids 36 114 of SEQ ID NO:2, or more than the whole portion of amino acids 36 114 of SEQ ID NO:2 <u>or a portion thereof</u>.</u>

4. (Canceled)

 $3\underline{5}$. (Amended) The method of claim 1 or $2\underline{3}$, wherein said immune response is an inflammatory response.

Claims 6-10. (Canceled)

 $\underline{4}$ 11. (Amended) The method of claim 1 or $\underline{2}$ 3, wherein said polypeptide is admixed with a pharmaceutical carrier.

Claims 12-14 (Cancelled)

5.15. (Amended) The method of claim 1 or 2.3, wherein the animal is suffering from a disease or condition is selected from the group consisting of organ transplant/rejection, bone marrow transplant/rejection, graft versus host disease, infectious disease, and an autoimmune disease.

<u>6</u>_16. (Amended) The method of claim <u>5</u>_15, wherein the disease or condition is an infectious disease and which is septic arthritis or septic shock.